



## U.S. FISH AND WILDLIFE SERVICE TRANSMITTAL SHEET

PART 417 FW 1-6	SUBJECT Audits: Policies and Responsibilities; Planning; Conducting and Reporting on Audits; Audit Resolution; Appeals; Single Audit Act Report Resolution	RELEASE NUMBER 454
ORIGINATING OFFICE Division of Federal Assistance		DATE 08/23/2004

### EXPLANATION OF MATERIAL TRANSMITTED:

This release establishes Part 417 (Federal Assistance Audits) of the Fish and Wildlife Service Manual. It establishes policy and responsibilities for grantee audits, defines terms associated with audits, and provides an overview of the audit process. The policy describes audit planning and provides procedures for conducting audits and reporting on them. It establishes policy and procedures for tracking audits, resolving findings, implementing recommendations, and making appeals about findings or corrective actions. The policy also describes how to resolve findings and implement recommendations from audits under the Single Audit Act.

  
DIRECTOR

### FILING INSTRUCTIONS:

Remove:

None

Insert:

417 FW 1, 08/23/04, FWM 454  
417 FW 2, 08/23/04, FWM 454  
417 FW 3, 08/23/04, FWM 454  
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**FISH AND WILDLIFE SERVICE  
AUDITS**

**Audits**

**Part 417 Federal Assistance Audits**

**Chapter 5 Audit Appeals**

**417 FW 5**

**5.1 What is the purpose of this chapter?** This chapter establishes policy and procedures for appealing audit findings or corrective actions for Federal Assistance Program grantee audits. See 417 FW 1 for authorities, responsibilities, and definitions. Other chapters in Part 417 establish policy and procedures for audit planning, conducting audits, audit reporting, and resolution.

**5.2 Who can appeal?** A grantee affected by a Corrective Action Plan (CAP) may appeal Service determinations, corrective actions, or resolutions in the CAP.

**5.3 How much time does the grantee have to appeal?** A grantee must file a written appeal to the Director within 21 calendar days from the date the Regional Director or Manager, California/Nevada Operations Office (CNO) approved the CAP.

**5.4 What needs to be in the appeal?** The appeal must contain the following elements:

**A.** Specify which Service determinations, corrective actions, or resolutions you are appealing.

**B.** Provide information explaining why you are appealing and include justification and citations supporting your position. This justification supplements information provided in the original response to the audit findings.

**C.** Include a brief summary of prior discussions or negotiations with the Service on the action being appealed.

**5.5 How does the appeals process work?** The Regional Director/CNO Manager and the grantee must prepare a CAP that is acceptable to the Regional Director/CNO Manager if the questioned audit findings, Service determinations, corrective actions, or resolutions are upheld. The CAP should note the specific findings and resolutions with which the grantee disagrees, and include an explanation and specific reasons for the disagreement. It also should include the grantee's intention to appeal the specific finding and resolution recommendation. The CAP is then processed as described in 417 FW 4. When the CAP has gone through the approval process and the Region/CNO issues the final CAP, the final CAP will go into effect, and the Regional Director/CNO Manager and the Office of Financial Management (PFM) monitor progress. The grantee then has 21 calendar days from the date the Regional Director/CNO Manager issues the final CAP to initiate an appeal. Only those findings and resolutions specifically mentioned in the appeal are affected by the appeal. The other findings and resolutions are final. In the event of an adverse decision, the grantee may appeal to the Secretary of the Interior.

**5.6 Who makes the final decision on an appeal to the Service?** The Director makes the final decision on appeals after consultation with technical experts. The Director will work with the grantee(s), appropriate Service Region(s)/CNO, Washington Office staff, and others as needed to resolve appeals within 30 calendar days after receipt of all pertinent documents.

**5.7 Can a grantee appeal the Director's decision?** Yes, the grantee can appeal the Director's decision, as described in 43 CFR 4.700 to 4.704, within 30 days of the date the decision was mailed. Submit appeals to the Director, Office of Hearings and Appeals, Department of the Interior.

**5.8 Does the Service provide information to the Department?** As described in 43 CFR 4.702, the Director—upon notification by the Department of the Interior, Office of Hearings and Appeals—has 10 calendar days to provide the official file on the matter, including all records, documents, transcripts of testimony, and other information compiled during the proceedings that led to the appeal of the decision.

**5.9 Who decides the issue?** The Director, Office of Hearings and Appeals, or an ad hoc appeals board appointed by that Director may take any of the following actions: hold a hearing on the entire matter or specified portions of it, make a decision based on the information already available, or make other disposition of the case. The Director, Office of Hearings and Appeals, may grant oral arguments if good cause is shown. Any hearing on such appeals will be conducted by the ad hoc appeals board or by an administrative law judge of the Office of Hearings and Appeals and will be governed by the regulations applicable to other hearings under this Part. All appeals should be made as described in 43 CFR 4.700 to 4.704.